

SECOND

15

ANNUAL REPORT

OF THE

PRESIDENT AND DIRECTORS

OF THE

HUNTINGDON AND BROAD TOP MOUNTAIN

Rail Road and Coal Company.

PHILADELPHIA:

J. B. CHANDLER, PRINTER, 123 CHESTNUT STREET, THIRD STORY.

1855.



DIRECTORS FOR 1855.

PRESIDENT,

LEWIS T. WATTSON, *Huntingdon.*

DIRECTORS,

S. MORRIS WALN,	}	<i>Philadelphia.</i>
JOHN DEVEREUX,		
BENJAMIN W. TINGLEY,		
DANIEL HADDOCK, JR.,		
C. J. HOFFMAN,		
JOHN McCANLES,	}	<i>Huntingdon.</i>
A. P. WILSON,		
JOHN SCOTT,		
JAMES ENTRIKEN,	}	<i>Bedford.</i>
WILLIAM P. SCHELL,		
ALEXANDER KING,		
JAMES B. LANE,		<i>Lancaster.</i>

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PRESIDENT AND DIRECTORS

OF THE

HUNTINGDON AND BROAD TOP MOUNTAIN RAIL ROAD AND COAL COMPANY.

THE following statement of the affairs and proceedings of the Company, for the year ending January 8, 1855, is submitted to the stockholders in compliance with the requirements of the charter.

At the time of the last annual report, the work had been in progress but a few months—little had been done upon any of the sections, and many of them were untouched—the entire expenditure for grading and masonry up to that period amounting to but \$38,936. From the condition of the work as presented by the Engineers, if no obstacles interpose, the grading and masonry, from sections 1 to 28 inclusive, terminating at the Crawford Mine upon the Company's lands, will be finished by the 1st of March, with the exception of sections 11, 17 and 25, and the Stonerstown Bridge. These will be completed by the 1st of June, and we design, if possible, to have the superstructure finished and the road ready for cars by the 1st or middle of July. The division from Stonerstown to Hopewell, embracing sections 29 to 35 inclusive, we expect to have completed early in the fall.

The estimates of the cost of the road having been made at a time when labor, provisions, and money were all more abundant and cheaper than they have since been, it cannot be expected that the actual will be as low as the estimated cost. Owing to these changes most of the contractors were unable to carry on their work at original contract prices; some failed, a few abandoned, and the Directors, by the advice of the Engineer, advanced the prices of others to prevent the delay and probable increased cost of a re-letting. These advances, and the finding a larger proportion of solid rock than was anticipated, have materially increased the cost of the road.

Our former Chief Engineer, S. W. Mifflin, Esq., owing to the distance of the work from his home, resigned his situation on the 1st of October last. His assistants, Mr. H. S. Wilson and Mr. P. Vandevender, have continued in charge of their respective divisions—the first, of sections 1 to 21 inclusive, and the latter from 22 to 35. We have employed Gen. T. G. Pomeroy to visit the work occasionally as consulting Engineer. On the 9th day of August last, a mortgage upon two thousand acres of the Company's coal lands, and upon the entire road and its franchises, was executed to Thomas E. Franklin, Jesse Godley, and H. Easton, Esqs., *in trust*, to secure the payment of one thousand bonds of \$500 each, a portion of which have been signed and prepared for delivery.

The annexed summary, taken from the Treasurer and Engineer's Report, will show the condition of the Company.

The entire receipts from stock in cash, real

estate, commissions, etc., amount to	\$230,259 48
Total receipts from bonds, - -	23,800 00
Cash borrowed on notes of the Company,	
secured in part by a deposit of bonds and	
partly by private endorsements, -	90,270 00
	----- \$344,329 48

The total amount paid for construction, permanent and incidental expenses, commissions, discounts, etc., is				\$298,035 63
Entire cost of real estate,	\$45,923	70		
Less yet to be paid,	7,938	47		
			<hr/>	37,985 23
Cash in hands of Treasurer,				8,308 62
			<hr/>	\$344,329 48

There is yet necessary to complete grading and masonry of first twenty-eight miles,				\$74,814 54
Superstructure,	-	-	-	245,961 02
			<hr/>	\$320,775 56
We owe for cash borrowed,	-	-	-	90,270 00
Due to contractors,	-	-	-	20,376 00
Note to William J. Young, for instruments,				774 18
Payments on real estate not yet matured,				7,948 47
			<hr/>	\$440,144 21

To meet this we have in cash in hands of				
Treasurer,	-	-	-	\$8,300 00
Stock to be taken by contractors,			-	12,000 00
Amount of old subscription supposed to be available,	-	-	-	25,000 00
Stock expected to be used in contracts for superstructure, iron, etc.,			-	30,000 00
470,000 bonds nett, say,			-	400,000 00
			<hr/>	\$475,308 00

There will yet remain \$95,478 necessary to complete the grading and masonry and the superstructure of the Hopewell Branch. To meet this

we have a prospect from several sources of considerable stock subscriptions; and, upon the completion of the track up Shoup's Run, we do not anticipate any difficulty in raising money enough to complete this branch.

The character of our coal, and its value for fuel, for generating steam, and for manufacturing purposes, are now so well understood, and have been so well established by trials made of it by various manufacturing establishments, that it is scarcely necessary for us to dwell upon that point. From various applications which have been made within the last several months to parties interested in the Broad Top Region, we feel warranted in saying a ready market could this day be found for any amount that could be brought over the road.

A large number of openings have been made upon Shoup's Run during the past summer, all of which have fully realized previous expectations. Our confidence in the profitableness of the road and mines, and that the stock will be highly remunerative continues unabated, and we give you annexed some of the data upon which we found such an opinion.

Transportation after first year of 300,000 tons of coal per annum, at a nett profit of 25 cts. per ton,	\$75,000 00
Nett profits on transportation of iron, fire clay, produce, merchandise, etc.,	15,000 00
Profits on passengers and miscellaneous,	5,000 00
Rent of mines, say 80,000 tons per annum at 25 cts. per ton,	20,000 00
	————— \$115,000 00
Deduct interest on \$500,000 bonds @ 7,	\$35,000 00
10 per cent. dividend on \$400,000 stock,	40,000 00
	————— 75,000 00
Surplus for repairs, branch roads, or sinking fund,	\$40,000 00

We estimate the revenue after the road is in operation three years as follows :—

Transportation of 600,000 tons of coal at a nett profit of					
25 cts. per ton,	-	-	-	-	\$150,000 00
Rent 160,000 tons from Company's lands,	-	-	-	-	40,000 00
Nett receipts from all other sources,	-	-	-	-	30,000 00
					<hr/>
					\$220,000 00
Deduct interest of bonds,	-	-	-	-	35,000 00
					<hr/>
Balance applicable to dividends, repairs, sinking funds, &c.,					\$185,000 00

That the foregoing is a very low estimate will be seen when compared with the incomes of one or two other improvements of a similar character in our State. The Mine Hill Road, which cost for its construction a larger sum per mile than our road, pays 15 per cent. to its stockholders, being limited to that amount by its charter, and expends a large surplus in improvements yearly. The Mill Creek Road has also been paying its stockholders 18 per cent., and the only revenue which these roads receive is from the freight of coal carried over them! Our road will not only have the carrying of the entire amount of coal mined on Broad Top Mountain, a coal field of eighty square miles, but the Company own two thousand acres of the most valuable coal land on the mountain, from which they must ultimately receive a very large revenue. The Delaware and Hudson Canal Company paid the following dividends to their stockholders for the five years from 1846 to 1851.

1846,	per cent. 16,	-	-	\$445,904 00
1847,	" 20,	-	-	576,600 00
1848,	" 18,	-	-	661,162 00
1849,	" 16,	-	-	730,360 00
1850,	" 14,	-	-	809,248 00
				<hr/>
				\$3,223,274 00

Thus dividing over three millions of dollars in five years, from the production of their coal lands. We have a yearly statement of rents received from a tract of about 200 acres of coal land in our State from 1841 to 1853, and the rents for that period amount to \$193,378 60; another tract of which, about 850 acres is rented, paid the owners in 1852, \$117,500, and in 1853, \$111,870. We might extend these statistics, but think we have given enough to show that the estimate of \$20,000 the second year, and \$40,000 the fourth year, which we have set down as the probable income from the 2,000 acres of coal land owned by the Company, is very low; there is no reason why their income from that source alone should not be four times the amount estimated, and even then it would be, in proportion, less than one-fourth the revenues from the lands to which we have alluded.

The estimate we have made of our revenues does not differ materially from one presented to our Stockholders in September last. We have taken from some of the items, but added to our estimate of receipts from mines, as since that time we have been offered a rent of 25 cents per ton for the Cook Mine, with an obligation to take out 40,000 tons per annum. The Crawford mine can probably be rented for a similar amount, and we think, as soon as the branch up Six Mile Run is made, that the Griffith & Durall tracts can be leased upon the same terms.

There has been sent to market from the Cumberland Coal Region the past year 640,000 tons, notwithstanding a strike of the miners lasting many weeks. We believe our coal to be much superior in quality to theirs, and the region more accessible, and therefore think we speak within bounds when we estimate the quantity to be sent over our road after a lapse of five years at a million of tons per annum, one-fourth of which could be sold before reaching the seaboard.

The average distance of our mines from Huntingdon is about 30 miles, from Huntingdon to Harrisburg by Pennsylvania Railroad 97 miles, and to Columbia by Harrisburg Road 27 miles, making a total

of 154 miles of railroad. As the adverse grades are but few and very slight, supposing the removal of the tonnage tax, the coal could be transported this distance at the rate of $1\frac{1}{4}$ cents per ton per mile, costing \$1.93 per ton to Columbia. From this point it could be shipped by large tide-water boats to New York, Philadelphia or Baltimore, but we have no data from which to estimate the exact cost. The entire distance from the mines by railway to Philadelphia will be 234 miles, which, at the same rate, would make the transportation cost \$2.93. The distance of our mines by railroad and canal to New York is 385 miles, while the Cumberland mines are 439 miles, being 54 miles in favor of Broad Top.

From various statements made by engineers and others acquainted with the subject, we believe that the entire cost of our coal, including rent of mines, mining, freight, and all other expenses, will not exceed \$4.25 in Philadelphia, and \$5.25 in New York, with a probability that it will not reach those prices by 25 or 50 cents per ton, which is at least 15 or 20 per cent. less than the Cumberland coal can be placed there for. We now wish to negotiate the sale of \$400,000 of our bonds, bearing 7 per cent. interest, with coupons attached, and convertible into stock within ten years, at the will of the holder. We think there can be no more desirable investment for capitalists, as the sale of these bonds insures the speedy completion of the Road, and the bondholders can at pleasure convert them into a stock which promises to pay very largely. There are no restrictions in the Charter upon dividends, and the Stockholders all obtain an interest in the Company's coal lands at the prices at which they were bought by the Commissioners previous to the organization of the Company. These lands are now worth five times their original cost, and will ere long be worth twenty times that amount. The Stockholders of the Pennsylvania and Harrisburg Railroads are interested in having our Road completed, as it will add largely to the revenues of both of these roads, as well as

to the State Works. Mr. Haupt computes that the transportation of 500,000 tons of coal per annum over that portion of the Pennsylvania Railroad on this side of the Alleghany, will pay 8 per cent. on its entire cost.

We have now to say to our Stockholders, that to go on and complete our Road, it is absolutely necessary that sale should be made of our bonds, and we leave it to them to adopt what they may deem the best mode of effecting that object.

L. T. WATTSON, *President.*

List of some of the City subscribers of \$1,000 and upwards, to Stock of the Huntington and Broad Top Mountain Rail Road.

	Shares.	Amount
Richard D. Wood,	150	\$7,500
Wood, Bacon & Co.,	40	2,000
William & George Thompson,	30	1,500
Horatio C. Wood,	100	5,000
Jesse Godley,	100	5,000
Jesse Godley for Ritchey & Runkle,	100	5,000
John B. Myers,	100	5,000
S. Morris Waln,	20	1,000
John Rice,	100	5,000
Isaiah Haeker,	20	1,000
E. G. Dutill,	20	1,000
H. N. Burroughs,	70	3,500
Lewis Audenreid,	100	5,000
A. Wright & Nephew,	20	1,000
Williamson, Taylor & Co.,	20	1,000
Benjamin W. Tingley,	100	5,000
Thomas B. Wattson,	20	1,000
William S. Smith, -	20	1,000
Smith, Murphy & Co.,	20	1,000
Newlin & Marshall,	40	2,000
George McHenry & Co.,	100	5,000
Humphreys, Hoffman & Koons,	20	1,000
Franklin Platt & Co.,	20	1,000
Dale, Ross & Withers,	40	2,000
John McCanles,	200	10,000
John Devereux,	100	5,000
Castner, Hartman & Cummings,	20	1,000
A. G. Cattell & Co.,	20	1,000
Brook, Tyson & Rehn,	40	2,000
Samuel Bispham,	20	1,000
Josiah Bacon,	20	1,000
Charles S. Boker,	50	2,500
John Anspach,	20	1,000

Philadelphia, September 1st, 1854.

HON. HENRY D. MOORE:—

DEAR SIR:—During the past summer, and since my Report in conjunction with Mr. Roberts, I have made several professional visits to the Broad Top Coal Fields, in the Counties of Bedford, Fulton and Huntingdon. In those visits I have made thorough investigations, geologically, of the greater part of this rich deposit of mineral wealth, and particularly of that portion in which are situated the Lands of the Huntingdon and Broad Top Railroad Company, of which Company you are a Director.

The Coal measures are in some places between five and six hundred feet in thickness, and contain six if not seven workable seams of Coal. The lowest workable seam is from thirty to forty feet above the bottom rock, and averages about six feet of Coal: this important seam underlies the whole Coal basin, and has been opened on Sandy Run above Hopewell, on Six Mile Run above Riddlesburg, south and east of Coalmont, on Shoupe Run, at Crawfords, and Barnets. This seam alone contains at least 6,000 tons to the acre, after deducting one-third for pillars and waste! The Company's Lands, therefore, contain at least 12,000,000 of tons in this seam alone. Above this lower seam there has been found a seam of a little more than four feet in thickness. It has been opened near Hopewell in two places, about one mile apart, accompanied with six feet of rich Iron Ore. It is believed that this Coal Seam and Iron Ore extend almost entirely through the Company's Lands: if so, it will yield 8,000,000 of tons of Coal more, besides the heaviest regular seam of Iron Ore that I have ever seen in the Coal formation. Above this is a three feet seam of Coal of an excellent quality, furnishing an additional 3,000 tons per acre.

Above this, and almost 200 feet above the lower seam, is a large deposit from six to seven feet in thickness. This seam furnishes Coal of the finest quality, and extends over near two-thirds of the Company's Lands.

Above these seams are two others, one five and the other three feet in thickness, which have been opened during the past summer, and which promise well. There is one fact to which I desire particularly to call your attention. It is the proximity of Coal and Iron Ore in this region. The lower beds of Coal contain a large proportion of carbon and are free from sulphur; this Coal, like that of Northern Ohio, will probably make Iron without coking, and if so, Iron can be made here cheaper than in any part of Pennsylvania.

In conclusion, let me say that the future growth of this country, the increasing consumption of Coal and Iron, the already enormous incomes from Coal property now worked, all make it impossible to place too high an estimate upon mineral lands so rich as those owned by the Huntington and Broad Top Railroad Company.

Yours respectfully,

HENRY K. STRONG.

Philadelphia, August 22d, 1854.

MESSRS. HENRY D. MOORE,

JOHN MC CANLES;—

GENTLEMEN :—I have just received your note of to-day, asking my opinion of the Broad Top Coal Region as a locality for manufacturing iron. In my recent visit there to examine the facilities and advantages of that locality for this purpose, I was very much surprised at the important developments already made by the small amount of labor directed to that object.

Of Coal there can be no doubt about the quantity, and of a quality well adapted to the manufacture of Iron; if the analysis and comparison with other coals now used for that purpose can be relied upon.

Between the veins of Coal there exists a bed of Iron Ore of six feet thickness, which is a brown oxide, much resembling the ordinary hematites. In the Valley, within two and three miles of the Coal Basin, there are large deposits of hematite Ore, and regularly stratified veins of the fossiliferous Iron Ore. All of these Ores have and are now being worked with charcoal, and make a very superior quality of Iron. The limestone is in abundance in the locality of the last named Ores.

I am familiar with many places where Iron is now being manufactured, and I do not know of any one that can compete with the one above named for cheapness, when the Huntingdon and Broad Top Mountain Railroad is completed.

Very truly yours,

G. G. PALMER

The furnace at Hopewell has the Coal within a mile of it, an immensely valuable deposit of cold short iron ore outcropping behind it, an ore which will be pursued hereafter from gap to gap, the whole length of Terrace Mountain, and upon which a hundred furnaces might run a century. In the presence of the hot short ores of the neighborhood, and worked in the old fashion, this ore has been little esteemed. But Mr. Perry confirms me in the opinion, that hereafter this difference of value is destined to vanish, as he says he can, by using the bituminous Coals coked, or the Broad Top Coals raw, produce out of this very Ore a metal equal to the best in the market, and owing to the excellence of the situation, at an expense of several dollars a ton less than Iron can be produced upon the Lehigh with anthracite.

Besides this inexhaustible bed at the furnace, the less reliable, and therefore less valuable carbonates of the Coal measures are yet to be proved, and may yield a large supply of Ore, nearly all of it red short. For instance, the Coal bed which over a vast region of Western Pennsylvania carries the "purr stone" iron ore, upon which many of the Alleghany River furnaces run, occurs in the Broad Top close by, and efforts will be made hereafter to explore its overlying ore.

The Montours Ridge (or Danville) Iron Ore, runs along in its proper position in the lower red shale at the foot of Tussey's Mountain, within four or five miles of the furnace, and has already been extensively worked, and is of its usual quality.

It is my opinion, from what I have seen of the western side of the Broad Top, that it presents remarkable advantages in the quality and *pose* of its beds of fuel, in the wants of the surrounding region, in its ready access to market by a branch Road from the Pennsylvania Railroad of thirty miles in length, in its beds of Ore, and in its water power, &c., for the investment of energy and wealth.

I am, Sir, very respectfully yours, &c.,

J. P. LESLEY, *Top. Geol.*